

## Cost-Plus Form of Contract Is Cheapest for the Owner

Construction Company Head Discusses Form of Agreements and Advantages.

### SAVING FOUND POSSIBLE

Must Add Extra Percentage Under Lump Sum Plan in Order to Have Protection.

The cost-plus form of contract brings a lower cost to the owner, was the assertion made by J. P. Perry, vice president of the Turner Construction company, at a recent meeting of the American Society of Engineers in New York. In this assertion Mr. Perry read notes kept by his company showing that in some cases the average cost per foot was lower under the cost-plus form of contract than under the lump sum contracts. His explanation was that the contractor's and owner's interests are the same and that if the contractor's methods are sound he can profit by it. He concluded by pointing out that the cost-plus method can be smoothed or put in through. Under the lump sum contract the owner is suspicious of every change suggested by the contractor and the interests of the two are no longer the same. When changes by the owner are made they come under the head of extra work and cost more than when a more flexible form of contract is used.

In commenting upon this, Building Age, a trade authority states:

This, of course, is true to a certain extent, yet experienced architects and engineers seem generally not to favor this form of contract. They prefer the lump sum plan to know how much his building is going to cost him in order to be sure that the income will be commensurate with the investment.

It logically follows that a limit must be imposed must be assured the investor he is to look with favor upon any form of the cost-plus contract, either the cost-plus fixed fee or cost-plus percentage. This has been done successfully in more than one case, notably by Gramatan Homes, a suburban New York firm of architects and builders specializing in country home work, which refuses to take a contract on any other basis.

Not only on large work is a saving possible by means of the cost-plus form of contract, but on small work also. In Newark, N. J., an owner who called for bids on a \$29,000 house decided later to build on a cost-plus basis. In spite of the fact that materials and equipment were purchased from the most general firms in town, the completed cost of the building to the owner was less than the lowest contract price before quoted. This is unusual, yet such experiences as this and that of the Turner Construction company, show that there is sound reason for believing that a cost-plus form of contract is fair to both contractor and owner.

Certainly the lump sum contract is unfair to the contractor under the present rapidly changing material prices and wage scales. In self protection, he must either add a considerable amount to take care of contingencies that may arise or must make an agreement that will make him allow for the advertising of material and material prices. In fact, some contractors today will refuse to take a job except on a cost-plus basis, as they consider it too great a risk.

Of course much depends on the contractor's integrity. It is certainly unfair to insinuate that a contractor will run up his costs as high as possible. The public expects for he is no more of a crook than the average business man, who has learned that he must be honest if his business is to succeed.

Undoubtedly there is a tendency for a contractor to put his fastest men on a lump sum job. But to trust any reputable contractor so implicitly is to delude yourself. Is it in order to run up the cost to the owner and encourage his men to loaf? Not if he expects to remain in business. Any capable architect would soon see that the work was being purposely slowed up and that a particular contractor would either have a special reason or would be quite interested in activities over & of their clients' interests.

The contractor is as honest as are his fellow business men; for it is to his best interests to be so. The crook does not stay in business for he will be shamed as soon as his dependability is discovered. He must play it with the public his conscience whatever may be his manipulating or hard shrewdness. The contractor is no exception to this rule—Building Age.

### OWNERS AND EMPLOYEES OF B'WAY'S CABARETS STRIKE

NEW YORK, Oct. 4.—Habitués of Broadway's gilded houses, palaces and glittering cabarets probably have never even met hand-mouth ahead of them.

From time to time there is a slight blow on the violin in and off Broadway. Now, all regular, amateur, restaurant, restaurant, amateur, and theater people are preparing to strike with their wallets.

The management of the New York "cabaret" tax, however, safe owners are taxed according to the size of their own houses, and they will not take that. Therefore, unless this tax is removed, you will find the saloons now that do not want to do business.

Why does one take it? and say:

He had her to the show.

The average bistro could make less

than a dollar a day.

Alas! and never falter.

### Used Safes

Two used Safes in fine condition at attractive prices.

### Palace Office Supply Co.

318 S. Boulder St.

Phone: Tulsa 6618

## BUILDING PERMITS SHOW BIG INCREASE

Construction Work in All Important Cities of United States is Increasing Active.

### SOUTH SHOWS BIGGEST GAIN

Precise High Prices Will Remain Until Decided Lowering in General Scale of Labor.

*Boy, Page Mr. Hyslop!*  
*And There's a Message*  
*Here for E. T. Cheese*

It is very difficult to estimate the volume and nature of new construction, but we can learn from the figures and statistics just where things stand and accordingly it is not always right.

Mr. Hyslop and I, therefore, were compelled at several meetings to estimate the total amount of new construction that would result when certain cities were mentioned, as in several instances the figures took express pains to put more and greater lists than could be found in the city building department.

Turner travels 5,000 miles traveling like a peddler, reporting the progress of a covered basket sufficiently prepared to report rate of venturing. Since a small French traveler arrived here after a journey of 1,200 miles, we can get a good idea of what is going on. The figures for 1934, 50% of this place, just collected from the many counties the dog in Florida and had him in based a birthplace since April.

### Cheering News for Stomach Sufferers

NO more misery—no more bloating, sourness, distressing fullness, feeling of weight. It's so very unnecessary to suffer from the effects of Indigestion and Constipation since you can get

### DIGESTOIDS

—the happy discovery of a French Physician—used by him for years in the successful treatment of even the most aggravated cases of Indigestion and Constipation. So confident are we that one or two of these little, pink, candy-coated tablets taken after meals will make you a new person, that every package is guaranteed to satisfy or your money back.

Digestoids are mildly laxative—a purely vegetable corrective that helps your stomach do its work. Price 50¢ at all good drug stores everywhere.

If your dealer hasn't Digestoids, send 50¢ for prepaid package.

THE DIGESTOIDS CO., ST. LOUIS, MO.



By the way—  
we have just received  
a big shipment of

### Art Metal

"700 Line"

—files and underwriters' label safes. You need equipment—better phone us to figure up your filing space and get your cabinets now while the getting is good.

Western Bank Supply Co.  
Kennedy Building Fourth and Boston

TULSA DAILY WORLD, SUNDAY, OCTOBER 5, 1934.

of construction for which permits were granted during August, 1934, was \$27 million greater than for July, 1933, when 134 cities reported, showing that the industry is in the main on the up grade, but the position

of cities have not been changing during the past month and many buildings have been held up. The labor situation, even more than the higher level of material prices, has been a disturbing influence in the trades, especially in cities where the older men have broken their contracts as the new ones came along. New York, for example, shows a 10% increase in the number of men employed in the building trades of early summer, but the new contracts on the major building sites

producing 50% plus percentage the general scale of labor, or until something is done to bring the cost down.

Costs have increased very substantially since the first of the year, due primarily to wages and salaries, although there has been a slight decrease in material prices.

Building permits are issued by the state departments of labor, and the figures are not available for all states.

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### LOW NECKS TABOO DURING THE SAND-FLEA INVASION

INDIANAPOLIS, Ind., Oct. 4.—

Indianapolis, where the natives haven't much time to sit around in forests, the oldest Indians are the ones who are most likely to be infected with the disease of the sand flea.

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